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MINISTRY OF COMMERCE AND INDUSTRY

PUBLIC NOTICE

EXPORT TRADE CONTROL—U.K. LICENSING

New Delhi, the 12th October 1961

SUBJECT:—*Inter-Industry Agreement regarding export of cotton textiles to the United Kingdom.*

No. P.N. (U.K. Licensing)/1 of 1961.—With effect from the 1st January, 1962, all cotton textiles imported into the United Kingdom will require an export licence issued by the Joint Chief Controller of Imports and Exports, Bombay. In order to ensure that exports arriving in the United Kingdom on or after the 1st January, 1962, will be covered by a valid licence it has been provided that shipments leaving India on or after the 1st December, 1961, should be under a licence. The Exports (Control) Order, 1958, is being suitably amended for this purpose.

Although all licences will be issued by the Joint Chief Controller of Imports & Exports, Bombay, on the recommendations of the Cotton Textiles Export Promotion Council, Bombay, exports can take place from any port in India.

A certain portion of the quota for 1962 will be reserved for Established Exporters and the balance thrown open to New-comers. A scheme of licensing drawn up by the Cotton Textiles Export Promotion Council is annexed to this Public Notice.

ANNEXURE

INDO-U.K. AGREEMENT RELATING TO COTTON TEXTILES

SCHEME FOR LICENSING FROM INDIA RELATING TO THE QUOTA FOR 1962

1. The Scheme relates to the export under the quota for 1962 from India to U.K. of cotton manufactures whether in the piece or made up including garments but excluding cotton carpets, cotton rugs, cotton dhurries, cotton shawls and all handloom manufactures.
2. For purposes of licensing, the shipment period will be from 1st December 1961 to 30th November, 1962.
3. Shipments covered by licences issued in India as from December 1, 1961, should not reach the U.K. before January 1, 1962.
4. Licences under the scheme shall be issued by the Joint Chief Controller of Imports & Exports, Bombay, on the basis of quota certificates issued by the Cotton Textiles Export Promotion Council, Bombay.

5. Licences shall be valid for shipment from any port in India.
 6. Licences and quotas will not be transferable.
 7. There shall be five categories of quotas and licences as under:—
 - (A) Reserved quota holders' quotas and licences (designated as RQ quotas or licences, as the case may be);
 - (B) Unreserved quotas and licences (designated as UR quotas for licences, as the case may be);
 - (C) Re-export licences (designated as RE quotas or licences as the case may be);
 - (D) Subsequent Re-export licences (designated as SR quotas or licences as the case may be); and
 - (E) Licences against outstanding import licences of the U.K. quota holders (designated as IL quotas or licences as the case may be).
 8. On the assumption that exports to be allowed to the U.K., under the Indo-U.K. Agreement will be 195 million square yards for retention, 150 million square yards will initially be covered by RQ quotas, and 45 million square yards by UR quotas.
 9. The basis for giving RQ quotas will be the average of actual shipments to the U.K. by the applicant in the two calendar years 1957 and 1958 or 1958 and 1959 or 1959 and 1960, according to the choice of the applicant to be made by him only once at the commencement of the scheme.
 10. The RQ quota holders will be required to cover 50 per cent of their quotas by contracts in the stipulated manner on or before May 31, 1962. Any shortfall will lapse from the RQ quota and will be added on the UR quota pool.
 11. The entire RQ quotas (as reduced by the operation of the provision in the previous clause) will have to be covered by contracts on or before October 31, 1962. Any shortfall will lapse from the RQ quota and will be added on to the UR quota pool.
 12. Twenty-five million square yards of the UR quotas will be thrown open for applications to be received by or after the prescribed date, both from RQ quota holders and others, on condition that they are enrolled as exporters under the Enrolment Scheme of the Cotton Textiles Export Promotion Council, Bombay.
 13. The application for UR quotas will have to be accompanied by earnest money at the rate of 7 nP. per square yard upto 2 lakh square yards; 10 nP. per square yard from 2 lakhs to 1 million square yards and 20 nP. per square yard for over one million square yards. The applicant shall not receive any interest on such earnest money. The earnest money can be made by Bankers' guarantee in favour of the Cotton Textiles Export Promotion Council.
 14. UR licences will be granted on first-come-first-served basis till the quantity of 25 million square yards gets exhausted. An opening and closing dates will, however, be fixed for the receipt of first batch of applications (tentatively October 24 to October 28, 1961) and if the total of the applications so received itself exceeds 25 million square yards each applicant will be given proportionate quotas, rounded off in a number to be decided by the Licensing Committee.
 15. The UR quota holders will have to produce proof by May 31, 1962, of their having covered at least 50 per cent of their quotas by contracts. In case the UR quota holder also holds an RQ quota, he will have to cover contracts by May 31, 1962, 50 per cent of the total of his RQ quota and UR quota.
- In respect of the shortfall in covering by contracts 50 per cent of the UR quota or UR and RQ quotas, as the case may be, the quotas will be cancelled to the extent of the shortfall and the quota holders will not be eligible to a refund of their earnest money at whatever rate per square yard they have paid the earnest money (subject to a maximum of 50 per cent of the UR quota only). The cancelled quotas will be added on to the UR quota pool.

16. The UR quota holders will have to produce proof by October 31, 1962 of having covered by contracts their entire UR quotas (as reduced by the operation of the provisions in the previous clause). In case the quota holder also holds an RQ quota, he will be required to cover 100 per cent of his RQ quota as well as the UR quota (as reduced by the operation of the provisions in the previous clause).

In respect of the shortfall in covering 100 per cent of the UR quota, or UR and RQ quotas, as the case may be, the quotas will be cancelled to the extent of the shortfall and the quota holders will not be eligible to a refund of their deposits at whatever rate per square yard they have paid the deposit (subject to a maximum of 100 per cent of the UR quota, as reduced by the operation of clause 15 where it operates). The cancelled quotas will be added on to the UR quota pool.

17. The UR quota holder will be eligible to claim refund of his deposit as reduced by the operation of clauses 15 and 16 at whatever rate per square yard they have paid the deposit of the goods actually shipped by November 30, 1962, against the UR quota. In case the UR quota holder also holds an RQ quota, the entire RQ quota will first be debited from the actual shipment made up to November 30, 1962, and only the balance will be treated as shipment against the UR quota.

18. The question of distributing 20 million square yards of UR quota as augmented by the cancelled quotas of various classes of quota holders will be considered from time to time, the first such consideration being given not later than March 15, 1962.

19. *Re-export licences (RE licences).*—The U.K. importer will have to sign an undertaking in triplicate to the U.K. Board of Trade, stating that he will re-export the specific or an equivalent amount of Indian cloth applied for with or without processing. The Board of Trade will retain the original of the undertaking send the duplicate to Texprocil and return the triplicate to the U.K. importer. The U.K. importer will have to send it to the Indian exporter and it is on the basis of this document that the Indian exporter applied to Texprocil for an RE quota certificate. RE quota certificates will be issued on Texprocil satisfying itself that the application is in order. The Joint Chief Controller of Imports & Exports will issue the RE licences on the basis of such quota certificate.

20. *Subsequent Re-export licences (SR licences).*—In those cases where the cloth originally intended for RETENTION IS re-exported, the importer in the U.K. will apply to the U.K. Board of Trade for replacement certificate in the same manner as for re-export licences. The U.K. importer will have to send the certificate to the Indian exporter and it is on the basis of this document that the Indian exporter can apply to Texprocil for SR quota. The SR licences will be issued by the licencing authority satisfying itself that the application is in order.

21. *Licences against outstanding import licences of the U.K. quota holders (IL licences).*—The U.K. quota holder will have to obtain from the U.K. Board of Trade a Revalidation Certificate for the portion of his quota which he is about to import from the Indian exporter. He will send the Revalidation Certificate in original to the Indian exporter who will apply to (Texprocil) along with the Revalidation Certificate in original. The (Texprocil) will grant an IL quota on satisfying itself that the application is in order and the J.C.C.I. will issue a licence on the basis of such quota certificate. As these licences will be issued against the 1961 U.K. Import quota they will not be valid for shipments arriving in the U.K. after 30th June, 1962.

22. All classes of quota holders and licence holders shall have to make monthly report to Texprocil giving copies of contracts entered into and shipments effected. Statements relating to each type of quota or licence must reach Texprocil by the 10th of the subsequent month.

23. A charge of Re. 2.50 nP. per 10,000 square yards will be levied by Texprocil for the issue of quotas.

24. A U.K. Textile Export Licensing Committee shall be constituted (a) to supervise the entire scheme; (b) to keep a watch over the performance from time to time; (c) to interpret and give decisions on various matters arising out of the operation of the scheme; and (d) to make such changes in the scheme as the Licensing Committee may consider fit from time to time. The Licensing Committee's decision on all matters shall be final and binding.

The Licensing Committee shall consist of two representatives nominated by the Indian Cotton Mills' Federation, two representatives nominated by Texprocil, one representative nominated by the Joint Chief Controller of Imports and Exports, Bombay and one representative nominated by the Textile Commissioner, Bombay.

The address of the Cotton Textiles Export Promotion Council, is as follows:—

Cecil Court,
4th Floor,
26, Lansdowne Road,
Apollo Bunder,
Bombay-1.

K. T. SATARAWALA,
Chief Controller of Imports and Exports.